

## Message Text

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INFO AMEMBASSY ANKARA

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PASS TREASURY FOR GRIFFIN

E. O. 11652: N/A

TAGS: EFIN, OECD

SUBJECT: COMMITTEE FOR INVISIBLES TRANSACTIONS  
114TH MEETING AND SPECIAL SESSION ON  
INWARD DIRECT INVESTMENT

REFS: (A) DAF/INV/75.15

(B) DAF/INV/75.16

(C) DAF/INV/75.22 (SERIES)

(D) STATE 93514

(E) STATE 84976

(G) DAF/INV/75.2L

(F) DAF/INV/75.20

(H) DAF/INV/75.21

(I) RE/TUAC/75.1

1. SUMMARY. AT MEETING APRIL 22-24, 1975, INVISIBLES COMMITTEE (IC) APPROVED CONTINUATION OF GERMAN DEROGATION TO CAPITAL MOVEMENTS CODE (CMC), ACCEPTED CHANGES IN DANISH RESERVATIONS TO CMC, NOTED TUAC RECOMMENDATIONS CONCERNING CMC, NOTED STEPS UNDERWAY IN AUSTRALIA RE CARGO SHARING, SCHEDULED COUNTRY EXAMINATIONS FOR NEXT TWELVE MONTHS, AND CONDUCTED SPECIAL SESSION ON INWARD DIRECT INVESTMENT (DI). ACTION REQUESTED: MISSION REQUESTS INSTRUCTIONS REGARDING GERMAN DEROGATION (PARA 4 BELOW) AND IC DISCUSSION OF TUAC RECOMMENDATIONS RE CMC (PARA 6 BELOW). END SUMMARY.

2. INWARD DIRECT INVESTMENT: SPECIAL SESSION WITH NATIONAL EXPERTS ON INWARD DI WAS HELD APRIL 23 (PM) AND 24. THESE PERIODIC SESSIONS ARE HELD IN LIEU OF REGULAR NOTIFICATION PROCEDURE CALLED FOR IN CMC CONCERNING COUNTRY TREATMENT INWARD DI. INFORMATION CONCERNING PRESENT STATUS OF CONTROLS OVER INWARD DI IS CONTAINED IN REF B AND C. REF C SERIES WILL BE REVISED TO TAKE ACCOUNT OF INFORMATION DIVULGED DURING LIMITED OFFICIAL USE

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SPECIAL SESSION. SINCE MOST INFORMATION PROVIDED BY EXPERTS AT SESSION WILL BE INCLUDED IN THIS SERIES, FOLLOWING COMMENTS TOUCH ONLY ON HIGHLIGHTS OF DISCUSSION. MAIN FINDINGS WERE THAT RELATIVELY FEW CHANGES HAD BEEN MADE IN COUNTRY DI CONTROL REGIMES SINCE LAST SPECIAL SESSION, MAINLY IN CANADA, AUSTRALIA AND SPAIN. IN MOST CASES, CHANGES IN LAWS OR REGULATIONS MERELY UNIFIED ALREADY EXISTING

CONTROLS, AND HAVE NOT RESULTED IN ANY INCREASE IN  
RESTRICTIONS ON INWARD DI. IT WAS NOTED THAT VOLUME  
OF DI FLOWS AMONG OECD COUNTRIES HAD LEVELLED OFF  
DURING 1974 AND PERHAPS FALLEN IN REAL TERMS. WHETHER  
THIS WAS DUE TO GENERAL INTERNATIONAL ECONOMIC  
SITUATION OR SOME NET ADVERSE CHANGE IN AD HOC RESTRIC-  
TIONS AND INCENTIVES CONCERNING DI WAS NOT CLEAR.  
WHILE COUNTRIES SEEM LESS CONCERNED OVER GENERAL ISSUE  
OF INWARD DI, THEY SEEM TO BE PAYING MORE ATTENTION  
TO SPECIFIC AREA OF TAKEOVERS. SEVERAL COUNTRIES  
(SWEDEN, AUSTRALIA, CANADA ESPECIALLY) NOTED NEED FOR  
BETTER INFORMATION AND POSSIBLY CONTROL PROCEDURES

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VIS-A-VIS FOREIGN TAKEOVERS OF MAJOR DOMESTIC FIRMS.

3. COUNTRY COMMENTS ON DI (ALSO SEE REVISED SERIES IN REF C WHICH WILL BE POUCHED TO WASHINGTON AS ISSUED).

(A) AUSTRALIAN REP INDICATED THAT WHILE HIS COUNTRY STILL WELCOMES DI, GOVERNMENT IS TAKING STEPS OVER LONGER TERM TO PROMOTE GREATER DOMESTIC OWNERSHIP AND CONTROL OF DOMESTIC RESOURCES AND PRODUCTION. THIS WILL REQUIRE DEVELOPMENT BETTER WAYS FOR DOMESTIC SHAREHOLDERS TO BUY SHARES AND PARTICIPATE MORE EFFECTIVELY IN OWNERSHIP AND CONTROL OF SUBSIDIARIES LOCATED IN AUSTRALIA. IT WAS RECOGNIZED, HOWEVER, THAT THIS GOAL WOULD NOT BE ACHIEVED QUICKLY.

(B) AUSTRIAN DELEGATE INDICATED APPLICATIONS FOR PRODUCTIVE INVESTMENT ORDINARILY APPROVED AUTOMATICALLY, BUT ACKNOWLEDGED THAT AUTHORITIES HAVE GREAT DISCRETION IN DEFINING PRODUCTIVE INVESTMENT.

(C) CANADIAN REP EMPHASIZED FLEXIBLE USE OF BASIC GUIDELINES FOR JUDGING FOREIGN INVESTMENT IN CANADA. SEVERAL IC MEMBERS HOPED THAT THIS WOULD NOT MEAN THAT DIRECT INVESTORS WOULD FACE INCREASED UNCERTAINTY IN ESTIMATING RISK OF REFUSAL OF SPECIFIC PROJECTS. SECRETARIAT SUGGESTED USE OF SPECIFIC CRITERIA FOR JUDGING ACCEPTABLE INWARD DI COULD INCREASE POSSIBILITY OF CONFLICT BETWEEN PARENT AND HOST COUNTRY GOVERNMENTS. FRENCH REP NOTED NO FORMAL ARRANGMENTS FOR PARTICIPATION BY PRIVATE INDUSTRIAL ASSOCIATIONS IN DI CONTROL PROCESS. HOWEVER, IF FRENCH GOVERNMENT WISHES

FRENCH SOLUTION TO SPECIFIC TAKEOVER, MINISTRY CONCERNED MIGHT CONTACT ASSOCIATIONS THAT SECTOR TO LOCATE APPROPRIATE FRENCH BUYER.

(E) GERMAN REP HOPEFUL THAT NEW COOPERATIVE ARRANGEMENTS BETWEEN BANKS, FIRMS, AND GOVERNMENT WOULD FORESTALL NEED TO OBTAIN LEGISLATION CONCERNING INWARD DI FROM OPEC COUNTRIES. AT PRESENT, IF LIMITED OFFICIAL USE

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GOVERNMENT DESIRES TO PREVENT SPECIFIC DI, IT CAN ASK GERMAN BANKS AND ENTERPRISES INVOLVED IN DEAL TO PREVENT IT BY THEIR OWN MEANS. IF THEY DO NOT DO SO, GOVERNMENT HAS NO LEGAL POWERS TO PREVENT DI TRANS-ACTION. THUS, SOME LEGISLATION MAY BE NECESSARY REGARDING OPEC INVESTMENT.

(F) JAPAN WAS CRITICISED BY SEVERAL IC MEMBERS FOR FAILING TO LIBERALIZE RETAIL TRADE AND FOR MAINTAINING EXCESSIVE GOVERNMENT CONTROL OVER WHOLESALE TRADE, EVEN THOUGH LIBERALIZED FOR DI. RESULT IS THAT THESE TWO AREAS EFFECTIVELY CLOSED TO FOREIGN DI, THEREBY HOLDING DOWN SALE FOREIGN PRODUCED MERCHANDISE IN JAPAN.

(G) SWISS REP INDICATED THAT NERVOUSNESS REGARDING INWARD DI SEEMS TO HAVE FALLEN OFF IN SWITZERLAND AND THAT PRESSURES ON PARLIAMENT TO TAKE SPECIFIC STEPS TO INCREASE CONTROL OVER SOME TYPES DI SOMEWHAT EASED. HE ALSO NOTED THAT FAILURE OF NUMBER OF OECD COUNTRIES TO LIBERALIZE TREATMENT OF DI TENDS TO SHIFT DI FLOWS TO OTHERMORE OPEN COUNTRIES, PUTTING GREATER PRESSURE ON LATTER TO TAKE RESTRICTIVE STEPS. HE STRONGLY SUPPORTED CONTINUATION OF IC ANNUAL REVIEW OF INWARD DI.

(H) UK REP INDICATED THAT POWERS OF CONTROL OVER DI CONTAINED IN BILL (CURRENTLY IN PARLIAMENT) WOULD APPLY ONLY ON CASE-BY-CASE BASIS, APPROPRIATE NOTIFICATION BEING GIVEN TO IC UNDER NOTE ONE OF DI ITEM IN CMC. ASIDE FROM THAT, PRESENT APPLICATION UK EXCHANGE CONTROL SYSTEM NOT CONTRARY TO CMC, AT MOST ONLY AFFECTING FINANCING PLANS. MAIN DIFFERENCES IN TREATMENT BETWEEN FOREIGN AND DOMESTIC TAKEOVERS IS THAT FORMER ARE EXPECTED TO BE FINANCED MAINLY BY INFLOW OF FOREIGN FUNDS.

(I) US REP MADE POINTS NOTED IN REF D. IN RESPONSE TO QUESTION ON INTENT OF ADMINISTRATION TO TAKE STEPS TO PROTECT NATIONAL INTERESTS VIS-A-VIS OPEC INVESTMENT, US REP INDICATED THAT THIS WOULD BE HANDLED MAINLY THROUGH NEW SYSTEM OF CONSULTATIONS (DESCRIBED IN REF D). GERMAN REP ASKED IF NEW CENTRALIZED DI REVIEW AND REPORTING PROCEDURES WOULD APPLY TO STATE AS WELL AS FEDERAL CONTROLS OVER INVESTMENT. US

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REP INDICATED THAT THIS MAINLY INVOLVED FEDERAL PRO-  
CEDURES. HOWEVER, ALTHOUGH US HAD RESERVATION TO CMC  
CONCERNING STATES, STATE TREATMENT BASICALLY LIBERAL,  
SINCE THEY DO NOT GENERALLY HAVE POWER TO RESTRAIN INTER-  
STATE TRADE OR BUSINESS TRANSACTIONS. US CONTINUES TO  
ABIDE BY OBLIGATION TO USE BEST EFFORTS TO REMOVE ANY

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SPECIFIC PROBLEMS WHICH MIGHT BE RAISED BY STATE CONTROLS, ALTHOUGH NO REQUESTS FOR INFORMATION OR ACTION THIS AREA HAD YET BEEN RECEIVED IN OECD.

4. OPEC INVESTMENT: ANSWERS TO QUESTIONS SECTION 2 OF REF A ARE SUMMARIZED AS FOLLOWS:

(A) MOST COUNTRIES INDICATED LITTLE OR NO INFLOW OF OPEC DI DURING 1974, AND IN GENERAL, LITTLE SPECIFIC INTEREST IN DI BY OPEC COUNTRIES. ONLY THREE REPS INDICATED ESTIMATED AMOUNTS OF OPEC INFLOWS OF DI IN 1974: UK-ABOUT 125 MILLION POUNDS, GERMANY-ABOUT 260 MILLION DM, US-PROBABLY FEW HUNDRED MILLION DOLLARS AT MOST. OTHER COUNTRIES INDICATED THAT MOST OPEC INFLOWS HAVE BEEN IN PORTFOLIO FORM OR IN REAL ESTATE, AND THAT EVEN THESE AMOUNTS HAD NOT BEEN SUBSTANTIAL.

(B) ASIDE FROM GERMANY (SEE PARA 3D ABOVE), MOST COUNTRIES WERE NOT CONSIDERING TAKING STEPS TO STRENGTHEN CONTROLS OVER INWARD DI FROM OPEC COUNTRIES.

(C) RESPONSES CONCERNING COOPERATION OF BANKS AND DOMESTIC ENTERPRISES RELATIVELY MIXED, WITH GERMANS AND SEVERAL OTHERS HOPEFUL THAT VOLUNTARY INFORMATION PROCEDURES WOULD PROVIDE SUFFICIENT INFORMATION CONCERNING INWARD OPEC INVESTMENT.

(D) MOST REPS FELT INVESTOR IDENTIFICATION WAS SIGNIFICANT PROBLEM, SEVERAL (UK, SCANDANAVIA) SUGGESTING NEED FOR INCREASED INTERNATIONAL COOPERATION, PERHAPS IN OECD. US SAW NO ROLE FOR OECD AT PRESENT THIS QUESTION. BELGIAN REP SUGGESTED THAT IF COUNTRIES DID NOT INTEND TO DISCRIMINATE AS TO SOURCE OF INVESTMENT, THEN IDENTIFICATION NOT REALLY AN ISSUE.

(E) NO SPECIFIC SECTORS OR TYPES OF ACTIVITY WERE RAISED AS BEING PARTICULAR PROBLEM AREAS FOR OPEC INVESTMENT, ALTHOUGH US REP NOTED PROBLEMS MAY BE CREATED WHEN SOME COUNTRIES ATTEMPT TO USE INVESTMENT PRESSURES TO BOYCOTT TRANSACTIONS IN PARTICULAR PARTS OF THE WORLD.

(F) SINCE MOST COUNTRIES FELT THAT EXISTING LIMITED OFFICIAL USE

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CONTROL REGIMES WERE ADEQUATE TO HANDLE ANY COMPLICATIONS WHICH MIGHT ARISE FROM OPEC INVESTMENT, THEY ALSO BELIEVED THERE WOULD BE NO INCREASE IN RESTRICTIONS OVER INTRA-OECD DI FLOWS AS RESULT OF STEPS RE OPEC DI. GERMANS ALSO AGREE WITH LATTER POINT.

5. GERMAN DEROGATION TO CMC (REF E): IC AGREED THAT GERMANY JUSTIFIED IN CONTINUING ITS DEROGATION ON FOUR ITEMS IN CMC, ALTHOUGH DISATISFIED WITH PRECAUTIONARY NATURE OF DEROGATION. EXPERT FROM GERMAN BUNDESBANK (DR. GAMENDING) EMPHASIZED NEED FOR CONTINUATION OF DEROGATION ON FOUR ITEMS IN CMC RELATED TO NON-RESIDENT PURCHASE OF DOMESTIC BONDS WITH REMAINING MATURITY LESS THAN FOUR YEARS AS MEASURE NEEDED TO SUPPORT DOMESTIC MONETARY POLICY. NOTED THAT CONTROL OF MONETARY BASE IS MAIN TARGET OF CENTRAL BANK POLICY. THIS REQUIRES CONTROL OVER BANK REFINANCING ABROAD, WHETHER THROUGH ATTRACTING DEPOSITS OR SELLING ASSETS. GERMAN DEFENSE OF RESTRICTIONS ON SALE OF SUCH SECURITIES TO FOREIGNERS RESTS ON NEED TO TREAT SUCH SALES UNIFORMLY, WHETHER DOMESTIC OR FOREIGN. SOME IC EXPERTS QUESTIONED THIS ASSUMPTION. US EXPERT SUGGESTED THAT WAYS OF HANDLING BANK LIQUIDITY PROBLEMS COULD BE FOUND WHICH DID NOT REQUIRE DEROGATION TO CMC. SOME CONFUSION EVIDENT AS TO REAL NEED FOR RESTRICTION OVER SALE BANK ASSETS DOMESTICALLY AS A MEANS OF CONTROLLING BANK LIQUIDITY, SINCE MERELY SHIFTS LIQUIDITY FROM OTHER SECTORS. WHILE IT WAS ACKNOWLEDGED THAT SALES ABROAD WOULD EXPEND MONETARY BASE OF BANKS, WITHOUT REDUCING LIQUIDITY OF OTHER PARTS DOMESTIC ECONOMY, SECRETARIAT STRESSED THAT NO PREMIUM OVER DOMESTIC BONDS CURRENTLY EXISTS FOR BONDS OF LESS THAN FOUR YEAR MATURITY CURRENTLY IN FOREIGN HANDS. THIS ALREADY SUGGESTS THAT NO NET FLOW WOULD RESULT FROM REMOVAL OF RESTRICTIONS ON SUCH MEDIUM TERM ASSETS. US EXPERT SUGGESTED THIS MEANT, IN EFFECT, THAT MAINTENANCE OF GERMAN DEROGATION UNFORTUNATELY SEEMS TO BE MOSTLY PRECAUTIONARY AT PRESENT. AUSTRIAN EXPERT INDICATED THAT WHILE HE COULD ACCEPT CONTINUATION OF GERMAN DEROGATION, HE ALSO THOUGHT PRECAU-



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TIONARY NATURE OF DEROGATION WAS UNFORTUANTE AND  
CONTRARY TO INTENTION OF CMC. ON OTHER HAND,  
NORWEGIAN EXPERT DISAGREED WITH OTHER MEMBERS OF IC  
ON EXTNET TO WHICH PRECAUTIONARY RESERVATIONS  
INAPPROPRIATE UNDER OECD CODE. SCANDANAVIAN EXPERTS  
ALL NOTED THAT FOR SMALL COUNTRY, IT WAS ONLY PRUDENT

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TO MAINTAIN PRECAUTIONS, INCLUDING PRECAUTIONARY RESERVATIONS OR DEROGATION ON CERTAIN CAPITAL TRANSACTIONS WHICH COULD CAUSE PROBLEMS. SECRETARIAT WILL DO RELATIVELY SHORT REPORT BASED ON REF F AND RESULTS OF DISCUSSION. ACTION REQUESTED: WHILE US EXPERT WOULD PREFER IC FINDING THAT CONTINUATION OF GERMAN DEROGATION NOT JUSTIFIED, IT PROBABLY UNREALISTIC TO EXPECT SUCH A FINDING TO BE APPROVED BY THE COUNCIL DURING PRESENT INTERNATIONAL ECONOMIC SITUATION. THEREFORE, UNLESS OTHERWISE INSTRUCTED, MISSION WILL ACCEPT IC RECOMMENDATION THAT COUNCIL APPROVE CONTINUATION OF GERMAN DEROGATION. WE WILL, HOWEVER, NOTE UNFORTUNATE PRECAUTIONARY NATURE OF MEASURE.

6. AMENDMENT TO DANISH CMC RESERVATIONS: IC APPROVED REF G WHICH MODIFIES AND LIBERALIZES NUMBER OF DANISH RESERVATIONS TO CMC. IC DECIDED TO POSTPONE SUBSTANTIVE EXAMINATION OF THESE RESERVATIONS UNTIL NEXT FULL EXAMINATION OF DANISH RESERVATIONS, AT WHICH TIME ALL DANISH RESERVATIONS WOULD BE EXAMINED TOGETHER INCLUDING RESERVATIONS LIBERALIZED IN REF G.

7. TUAC PROPOSALS TO AMEND CMC: SECRETARIAT BROUGHT REF I TO ATTENTION OF IC, SUGGESTING THAT AT SOME POINT IC MIGHT FIND IT NECESSARY TO REVIEW AND COMMENT ON TUAC PROPOSALS CONCERNING CMC. SEVERAL EXPERTS (U.S., U.K., SWISS, BELGIAN, AUSTRIAN) FELT THAT SINCE PROPOSALS CONTAINED IN REF I DID NOT

INDICATE INTENTION BY ANY MEMBER GOVERNMENT TO  
CHANGE EXISTING REGULATIONS CONCERNING CAPITAL  
TRANSACTIONS, IT WOULD PROBABLY NOT REQUIRE IC REPORT TO  
COUNCIL AT THIS TIME. SECRETARIAT NOTED IME MIGHT  
DISCUSS REF I AT APRIL 28 MEETING. UK EXPERT AGREED  
THAT IF QUESTION IS REVIEWED SUBSTANTIVELY IN OTHER  
OECD COMMITTEES, IC SHOULD HAVE ITS STRONG VIEWS  
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CONSIDERED AT THAT TIME. HE NOTED THAT WHILE GOALS  
OF TUAC PAPER COMMENDABLE ITS SUGGESTIONS FOR  
CHANGES IN CMC PROBABLY PUT TOO MUCH EMPHASIS ON WRONG  
POLICY TOOL. SEVERAL MEMBERS (MAINLY SCANDANAVIAN)  
SUGGESTED IC COULD USEFULLY CONDUCT PRELIMINARY  
DISCUSSION REF I AT MEETING IN JUNE. WITH RESULTS TO BE  
REPORTED INFORMALLY TO IME ORALLY. IC ACCEPTED THIS  
SUGGESTION, DESPITE STRONG RESERVATION BY JAPANESE  
EXPERT WHO THOUGHT HE WOULD HAVE TO HAVE INSTRUCTIONS.  
ACTION REQUESTED: MISSION REQUESTS INSTRUCTIONS AS TO  
US VIEW ON PROPOSALS IN PARA 33. 39--44 AND APPENDIX 3  
OF REF I. OUR PRELIMINARY VIEW IS THAT IMPLEMENTATION  
OF SUGGESTED CHANGES IN CMC WOULD SUBSTANTIALLY  
WEAKEN CMC AND REDUCE BENEFICIAL EFFECTS CMC HAS ON  
GENERAL ECONOMIC DEVELOPMENT IN OECD. GOALS DESIRED  
BY TUAC MIGHT BE MORE APPROPRIATELY ACHIEVED THROUGH  
USE OF OTHER MEASURES. UNLESS OTHERWISE INSTRUCTED.  
U. S. EXPERT IN IC WILL AGREE TO PARTICIPATE IN  
LOW KEY DISCUSSION REF I IN IC BUT WILL WITHHOLD  
APPROVAL OF ANY ORAL OR ANY WRITTEN SECRETARIAT  
REPORT TO IME UNTIL RESULTS OF IC DISCUSSION HAVE BEEN  
EXAMINED BY INTERESTED WASHINGTON AGENCIES, SINCE  
EXAMINATION THESE PROPOSALS GOES SOMEWHAT BEYOND  
NORMAL ROLE OF IC.

8. AUSTRALIAN MARITIME MEASURES: AT REQUEST OF IC

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MEMBER OF AUSTRALIAN PERMDEL APPEARED BEFORE IC TO  
EXPLAIN PROPOSALS ON MARITIME MEASURES NOW UNDER  
CONSIDERATION IN AUSTRALIA. UNFORTUNATELY.

DEL INDICATED HE WAS UNDER INSTRUCTIONS NOT TO DESCRIBE CURRENT STATUS OF PROPOSED MEASURES OTHER THAN TO SAY THAT THERE HAD BEEN AGREEMENT WITHING GOVERNMENT ON PRINCIPLE OF ACHIEVING 40 PERCENT CARGO CARRIAGE FOR AUSTRALIAN MARITIME INTERESTS IN EFFORT TO DEVELOP AUSTRALIAN OVERSEAS TANKER FLEET CAPABILITY. MINISTER OF TRANSPORT WAS AUTHORIZED TO HOLD MEETINGS WITH VARIOUS PARTIES (SHIP OWNERS, OIL COMPANIES, UNIONS' ETC.) ON HOW TO IMPLEMENT POLICY. IMPLEMENTATION STILL UNDER DISCUSSION IN CABINET OF MINISTERS. MATTER MAY BE DISCUSSED AT JUNE MARITIME TRANSPORT COMMITTEE OF OECD. SEVERAL IC EXPERTS SUGGESTED IT WAS UNFORTUNATE THAT AUSTRALIA FELT IT NOT POSSIBLE TO OUTLINE PROPOSED MEASURES TO IC AT THIS TIME, AND EXPRESSED STRONG WISH THAT AUSTRALIAN AUTHORITIES WOULD KEEP IN MIND RELATED OBLIGATIONS UNDER OECD INVISIBLES CODE. AUSTRALIAN DEL INDICATED HE WOULD TRANSMIT THIS TO CANBERRA.

9. FUTURE ACTIVITIES OF IC: IC AGREED THAT AGENDA FOR JUNE 16 MEETING WOULD INCLUDE REVIEW OF RESULTS ANNUAL DI MEETING, DISCUSSION TUAC DOCUMENT (REF I) ON MULTINATIONAL CORPORATIONS, EXAMINATION OF AUSTRIAN DEROGATION TO CMC, AND EXAMINATION OF ITALIAN AND JAPANESE RESERVATIONS TO CMC. SUBSEQUENT MEETINGS OVER NEXT TWELVE MONTHS WOULD INCLUDE EXAMINATIONS OF DEROGATIONS BY AUSTRALIA, FINLAND, GREECE' AND EXAMINATIONS OF RESERVATIONS BY AUSTRALIA AND NEW ZEALAND. PROPOSALS FOR FURTHER WORK ON QUESTION OF RIGHT OF ESTABLISHMENT UNDER CMC WERE SET ASIDE. IT WAS AGREED THAT IN EXAMINATION OF PORTUGUESE SITUATION VIS CMC SHOULD BE POSTPONED UNTIL POLITICAL SITUATION CLARIFIES.

TURNER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMITTEE MEETINGS, FOREIGN INVESTMENTS, INVESTMENT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Reference:** 75 DAF/INV/75  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Subject:** COMMITTEE FOR INVISIBLES TRANSACTIONS 114TH MEETING AND SPECIAL SESSION ON  
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**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006